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RUEHGV/USMISSION GENEVA PRIORITY 2337  
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C O N F I D E N T I A L SECTION 01 OF 03 COLOMBO 001322

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DEPARTMENT FOR SCA/INS  
MCC FOR D NASSIRY AND E BURKE

E.O. 12958: DECL: 09/25/2017  
TAGS: [PGOV](#) [PREL](#) [PTER](#) [PHUM](#) [MOPS](#) [CE](#)  
SUBJECT: SRI LANKA: PROGRESS ON DEVOLUTION PROPOSAL STALLED  
BY POLITICAL INFIGHTING

REF: A) COLOMBO 1168 B) COLOMBO 1127 C) COLOMBO 1103  
(AND PREVIOUS) D) COLOMBO 1206

Classified By: Ambassador Robert O. Blake, Jr. Reasons: 1.4(b, d).

11. (C) SUMMARY: The All-Party Representative Committee (APRC) has made substantial progress on drafting its devolution proposal, but remains stuck on some final key issues. The President, under pressure from his Sinhalese base to stick to the "unitary state" concept, has decided to delay action on the proposal until after the November budget battle. Moderate Tamil and Muslim leaders who support the government believe that insistence on the "unitary state" formulation will cast doubt on the President's willingness to embrace a multi-ethnic state in which significant power will be devolved to Sinhalese, Tamil and Muslim communities. Specifically, they fear that the new constitutional arrangements would allow the central government to revoke during emergencies whatever powers might be devolved to the north and east, which is broadly unacceptable to Sri Lanka's minorities. APRC Chairman Vitharana is trying to work various formulas to allay Tamil suspicions while keeping the Sinhalese nationalists on board. The United National Party (UNP) remains deeply skeptical that the President will ever allow a credible devolution proposal to surface, but will support a solution that is at least as far-reaching as the benchmark 2000 draft submitted by then-President Kumaratunga. Embassy will continue to urge both major parties to reach a consensus on devolution. However, pressing for immediate action on a proposal before the Parliament's November budget debate would probably only elicit a diluted plan that would face immediate rejection by the UNP, moderate Tamils, the Tamil Diaspora - and the LTTE. End summary.

DEVOLUTION COMMITTEE CHAIR FIGHTS ON  
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12. (C) APRC Chair Tissa Vitharana told Ambassador and Pol Chief on September 24 that President Rajapaksa had decided to

put off action on devolution until after the budget debate in November. The President is deeply worried about losing the budget vote, which would force the formation of a new government, likely under opposition leadership. The alternative, dissolution of Parliament and new elections, would probably also be favorable to the opposition UNP. As a result, the President is currently unwilling to risk provoking a negative reaction from Sinhalese nationalists - including the monk-based JHU, the leftist JVP and MEP, and the chauvinist wing of his own party - by backing a devolution proposal the nationalists would see as too generous to the Tamil minority.

13. (C) Vitharana explained that he and the President had "just passed through an especially difficult period" after the JHU had threatened to leave the government over the devolution proposal (ref A). The JHU had insisted on retaining the "unitary state" formulation. On the other hand, after initially resisting the creation of an upper house of Parliament, a Senate, the JHU had yielded on this provided the Senate did not get the power to initiate legislation.

14. (C) The President, Vitharana explained, had no interest in trying to prevent devolution. However, with his own political survival as his first priority, Rajapaksa simply did not appreciate that the lack of progress on devolution and the retention of the unitary state would create strong doubts about his bona fides in the minds of Tamils and push them again in the direction of supporting separatism -- i.e., the LTTE. Vitharana added that the Tamil National Alliance was not really an LTTE proxy and was favorable to a federal

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solution for Sri Lanka. Since the LTTE lacked a true political wing, to the extent that the TNA could influence LTTE thinking, it could fill that gap.

MODERATE TAMILS CAN'T LIVE WITH "UNITARY STATE"

15. (SBU) Even those moderate Tamils and Muslims who support the government part company with the President on the question of the "unitary state." In an impassioned plea for a "fair and just political solution within a united Sri Lanka," Tamil United Liberation Front leader Anandasangaree told the Hindu, a respected Indian daily, that an ambitious proposal would "ensure the political defeat of the LTTE and its bankrupt policies." However, a package of proposals that included the unitary label would be a defeat for Tamil moderates seeking a future within a united Sri Lanka: "A unitary solution will shatter the confidence of the Tamil people and the sense of fairness they expect from the Sri Lankan State... It will give room for further agitation in the future... The result would be a disruption of the hard-earned peace and take the country back to square one, into another cycle of violence."

16. (C) In a meeting with DCM and Pol Chief on September 13, one of the primary drafters of Experts Committee "Majority Report," Vigneswaran (strictly protect), told us moderate Tamils believe the APRC has made good progress. However, they are withholding judgment until they see what the government does on the final issues: making the province the unit of devolution and the unitary state issue. Vigneswaran commented that for most Tamils, "unitary" in essence means that the central government could cite an emergency situation to take back powers it has devolved. Another crunch point is the question of the Northeast merger. If the state remains "unitary" and the North and East are not merged, even moderate Tamils who normally support the President would have a hard time backing the proposal.

STRATEGY TO LOCK IN NATIONALIST CONCESSIONS

¶7. (C) However, some of those most involved in the process, including Vigneswaran, recognize that the current proposal has much to recommend it. This is the furthest that Sinhalese nationalists such as the JVP and JHU have ever been willing to concede, he noted. Vigneswaran and some other moderate Tamils and Muslims want to seize this moment to lock in gains which the Sinhalese nationalists have accepted, with the hope that the next government would revisit the contentious points.

¶8. (C) Vigneswaran outlined for us a three-tiered strategy in which Parliament would first pass a wide-ranging devolution proposal based on the existing Thirteenth Amendment to the Sri Lankan Constitution (which created the Provincial Councils). In the second stage, Parliament would pass and submit to a popular referendum provisions creating a Senate, and changing the amendment procedure itself to eliminate the need for a referendum on future constitutional changes. Vigneswaran hoped that the next government might then be willing to drop the "unitary" character of the state and the special place accorded in the Constitution for Buddhism - neither of which could probably command a majority in a referendum. Vigneswaran asked us for strict confidentiality, noting that he had not shared these

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recommendations with the President or publicized them to date.

UNP: BET ON ANOTHER HORSE  
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¶9. (C) United National Party leader Ranil Wickremesinghe has repeatedly voiced deep skepticism of the President's commitment to a political settlement of the conflict. Nevertheless, the UNP has told us it will support any credible proposal that emerges from the APRC, even at this late stage -- as long as it is at least as far-reaching as the plan submitted to Parliament in 2000 by then-President Chandrika Kumaratunga. Wickremesinghe told Ambassador on September 25 that he thought the APRC would remain on hold beyond the budget debate until February or March 2008. He then expected the GSL to resume a military-driven strategy. UNP MP Ravi Karunanayake, who also attended the meeting, asked Ambassador whether he believed in the APRC process. Ambassador confirmed that he did, saying "for now, the APRC process is the only horse we have." Karunanayake jokingly replied that "the U.S. keeps flogging that horse." Ranil added, "You can flog it all you want, but it isn't going anywhere," scoffing that the President has nothing to gain by pushing for it because he wouldn't be able to sell it to his political base.

¶10. (C) Embassy continues to engage the government and other parties in the process on the importance of developing within a reasonable time a credible devolution proposal that could underpin a political solution to the conflict. At a ceremony on September 19 to announce a USG donation via the World Food Program of 17,500 metric tons of food, Ambassador stressed that the U.S. does not support a military solution to the conflict. The way forward, he reiterated, is in a negotiated settlement which meets the aspirations of all communities. He urged the country's political parties to work together in the All Parties Representatives Committee (APRC) process to reach agreement on a credible power sharing proposal. Media coverage of the event juxtaposed the Ambassador's remarks with a recent speech by Defense Secretary Gothabaya Rajapaksa calling for the complete defeat of the Tamil Tigers before a political process begins. Ambassador made the same points on September 21 in a panel discussion entitled "Sri Lanka: The Way Forward" that featured several prominent political analysts and civil society figures and also was covered by the local media.

¶11. (C) COMMENT: The government's failure to meet its own deadlines for a devolution proposal fuels skepticism about

its ability to deliver progress on a solution. However, changes to the constitution that require a 2/3 majority and a referendum are all but impossible in the current political environment, and will have to wait at least until after the November budget debate. Rajapaksa and his Sinhalese base fear that the LTTE will flatly turn down the APRC proposals as unacceptable and refuse to talk on that basis. Diaspora Tamils, an important part of the LTTE support base, are concerned about the human rights situation and the absence of progress toward devolution. As long as they remain skeptical, they will continue to find ways to support the LTTE's separatist agenda. A minimal proposal that meets the President's short-term political needs by catering to the Sinhalese nationalists would certainly result in a categorical rejection by moderate Sri Lankan Tamils and the Tamil Diaspora. We therefore believe that any additional time needed to reach an APRC proposal that will meet the needs of moderate Tamils like Anandasangaree and Vigneswaran could be well invested. The U.S. should also encourage the government's support for a Track 2 initiative like One-Text (ref D) as a way of reaching out to Tamils who can influence LTTE thinking and help prepare the ground for talks, if and when they resume.

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